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Department of Agriculture
1996 Annual Report

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DEPARTMENT OF AGRICULTURE 1996 ANNUAL REPORT

I. INTRODUCTION

The year 1996 turned out to be a good year for Philippine agriculture. In 1996, the sector grew by 3.46% in gross value added (GVA) compared to only 1.72% for the same period last year.

In line with the government's thrust of further broadening the distribution of the fruits of development, the Department of Agriculture (DA) further intensified the implementation of its key programs. Following the Food Security Summit in January 1996, the government adopted a revitalized food security agenda and the DA was assigned to implement several strategies under the food security plan. Thus, the Gintong Ani program was launched in May 1996 to intensify the previous production enhancement programs for grains, livestock, commercial crops, and fisheries. Through the Gintong Ani program, the DA will further accelerate the provision of irrigation facilities, farm-to-market roads, postharvest facilities, credit, research and development, and other support services.

The Department also continued to advocate policies that would create an environment conducive to the growth of the agriculture sector. In support of the food security agenda, the DA firmed up

a policy framework to stabilize food prices and reduce supply fluctuations through trade, without adversely affecting domestic production.

II. STATUS OF DEPARTMENT'S ACCOMPLISHMENTS

1. On Political Stability and National Unity

The Department, in giving paramount importance to working in close coordination with field implementors, forged several Memoranda of Agreement (MOA) with the local government units (LGUs), as well as other government agencies, to define the specific roles of entities involved and outline complementary activities.

§ To better implement the Gintong Ani Program for Rice and Corn, an omnibus MOA was signed between the DA and the League of Governors and Mayors/City Mayors. Under this MOA, agricultural technicians (ATs) will continue to be under the administrative supervision of LGUs. However, the DA

will provide the needed technical support to the ATs.

§ Close coordination among the Bureau of Animal Industry (BAI), Department of Interior and Local Government (DILG), and LGUs was achieved in the establishment of national livestock facilities such as Livestock Production Centers/Stockfarms and Livestock *Oksyon* Markets. Efforts to regulate animal feeds, veterinary drugs and biologics control, veterinary quarantine procedures, and the implementation of the National Animal Diseases Prevention, Control, and Eradication Programs were jointly pursued.

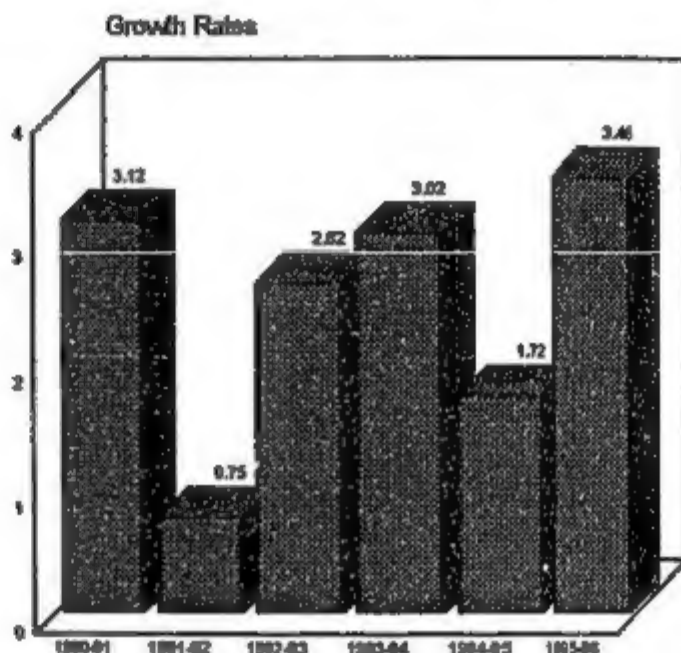
To date, there are 84 duly appointed Provincial Veterinarians, 34 City / Municipal Veterinarians, 102 deputized Veterinary Quarantine Officers, and 131 Animal Feeds and Veterinary Drugs and Biologics Control Officers to beef up the development of the livestock sector.¹

2. On Economic Recovery

2.a Performance of the Agriculture Sector. The sector's remarkable growth of 3.46 percent in GVA is the highest

since 1990 (Fig. 1). This was a result of the vast improvement in sugarcane production (20.76%), better palay harvest (7.05%), and the continued good performance of the poultry (11.27%) and livestock (6.59%) subsectors (Table 1).

FIG. 1. GROSS VALUE ADDED IN AGRICULTURE PHILIPPINES, 1990-1996



SOURCE: The National Accounts of the Philippines, National Statistical Coordination Board

TABLE 1. GROSS VALUE ADDED IN AGRICULTURE AND FISHERY BY INDUSTRY PHILIPPINES, 1984 TO 1996, IN MILLION PESOS (AT CONSTANT PRICES)

INDUSTRY GROUP	1984	1996	1998	GROWTH RATES	
				84-85	85-96
Crops	82,778	82,937	98,481	0.17	3.79
Palay	26,182	26,188	30,178	0.02	7.05
Corn	10,708	9,837	9,863	-8.05	0.57
Cereals including crops	6,831	7,360	7,289	8.04	-1.50
Sugarcane	6,326	3,864	4,787	-39.67	20.76
Others	2,836	2,608	2,788	-0.99	-0.36
Other crops	28,831	40,789	41,539	4.87	1.91
Livestock	18,856	19,839	21,148	5.20	6.59
Poultry	15,296	19,056	17,865	5.28	11.27
Fishery	32,186	33,863	32,837	1.98	-3.71
Agricultural activities and services	8,336	8,032	8,824	3.55	2.34
GROSS VALUE ADDED	168,419	171,217	177,243	1.72	3.46

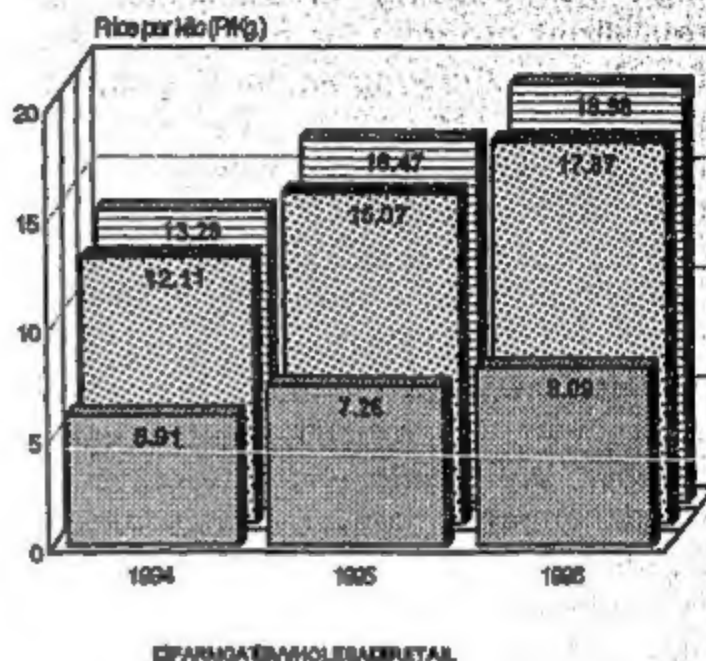
SOURCE: The National Accounts of the Philippines CY 1984 - CY 1998, National Statistical Coordination Board, January 1997, pp. 43-44.

The increase in production area and the favorable weather condition significantly increased sugarcane production. The construction of small-scale irrigation projects such as shallow tubewells (STWs) and small water impounding projects (SWIPs) resulted in the expansion of irrigation areas and better yield for palay. On the other hand, the decline in the fishery subsector (-2.71%) indicates the continuing threat to the country's marine resources. This further compels the DA to intensify current efforts to stop water pollution and illegal fishing practices, particularly in municipal waters.

2.b Price Stabilization. Farmgate prices of palay stabilized at an average of P 8.09 per kilogram (kg), while commercial retail prices of regular and well-milled rice averaged P17.37/kg to P18.98/kg, respectively (Fig. 2). The efforts of the National Food Authority (NFA) in distributing 592,654 metric tons (mt) of rice which meant market participation of 13% of national consumption, was a positive influence in the rice market. Moreover, this was boosted by the agency's ability to build up food security stocks equivalent to a minimum of 15-30 days national consumption. This modest performance in stabilizing the rice market registered its influence on the country's inflation rate. Since rice accounts for 13% of the consumer price index (CPI) for all items, the declining trend in the inflation rate for rice from 34.8% in January to -7.72% in November 1996 was reflected in the inflation rate for all other items which also declined from a high of 11.2% in

January to 4.5% in November of this year.²

FIG. 2 PALAY FARMGATE, WHOLESALE AND RETAIL PRICING PRICES, PHILIPPINES, 1994-1996



SOURCE: Bureau of Agricultural Statistics

2.c Farm Productivity. Grains Production Enhancement Program Phases I-III (GPEP I-III). Results of the Mid-Stream Evaluation of the Grains Production Enhancement Program - Phases I-III conducted by the Bureau of Agricultural Statistics (BAS) showed that the average palay yield in GPEP provinces increased by 3.4% from 1993 to 1995, or from 3.33 mt per hectare (ha) before the start of the program (1993) to 3.56 mt/ha in 1995 with program implementation.

The same trend can be gleaned from the yield performance of corn in program areas which increased by 8.0% after the implementation of the program (2.17 mt in 1993 to 2.53 mt in 1995).

Gintong Ani Program for Grains. Despite initial gains from the implementation of GPEP, the Department observed that overall Program objectives would be achieved faster through the adoption of high risk-reducing mechanisms. A revitalized program for palay and corn, the *Gintong Ani* Program for Grains, was launched in May 1996. This Program seeks to ensure the availability of credit or financial assistance to both organized and individual farmers to enable them to obtain farm inputs and to better access postproduction facilities. Agreements between the Department and leagues of local government executives represented by their presidents (Gov. Roberto M. Pagdanganan, Mayor Agnes V.S.T. Devanadera, and Mayor Jesse M. Robredo) were signed to make sure that vital extension and support services will be delivered on time to farmer participants.

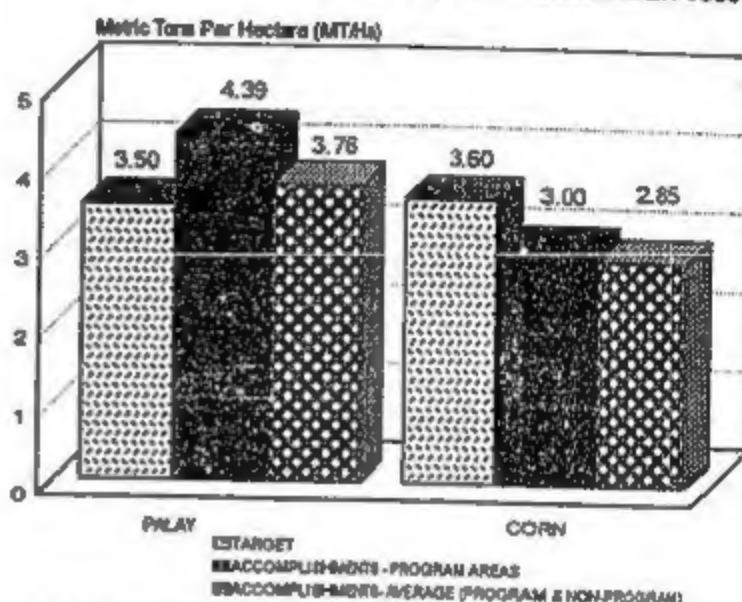
The initial report of the *Gintong Ani* for palay during the May-July 1996 planting showed the average yield in program areas to be higher by more than 25% (4.39 mt/ha), compared to the 3.50 mt/ha target. Yield performance in program areas was also observed to be higher by 7% as compared to the aggregate estimated yield in both program and non-program areas (3.76 mt/ha) (Fig. 3).

Early reports on the performance of the *Gintong Ani* for corn, (based on the output from the July-December 1996 planting) also indicate positive results. As of January 1997, average yield accomplishment in program areas reached 83.33% of the 3.6 mt/ha target. On the other hand, the average yield

accomplishment for both program and non-program areas was 79.17% of target (Fig. 3).

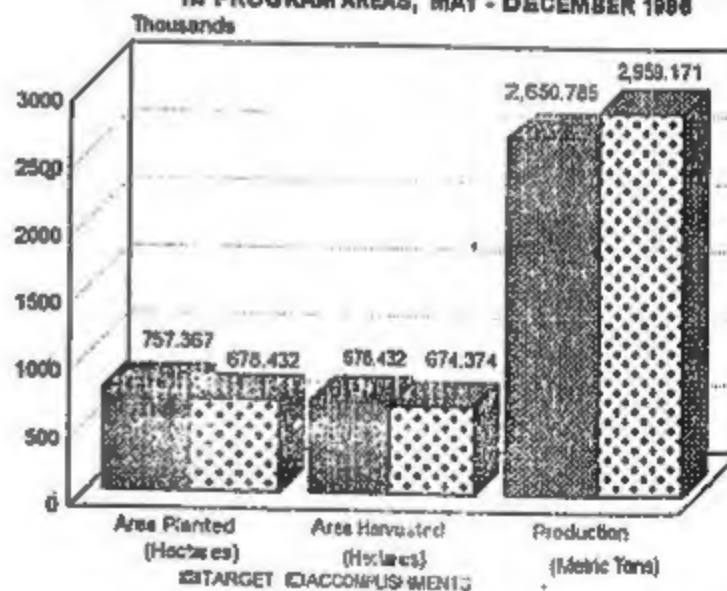
(Figures 4 and 5 give details on planting accomplishments for palay and corn, respectively.)

FIG. 3. "GINTONG ANI" FOR PALAY AND CORN YIELD ACCOMPLISHMENTS, MAY - DECEMBER 1996



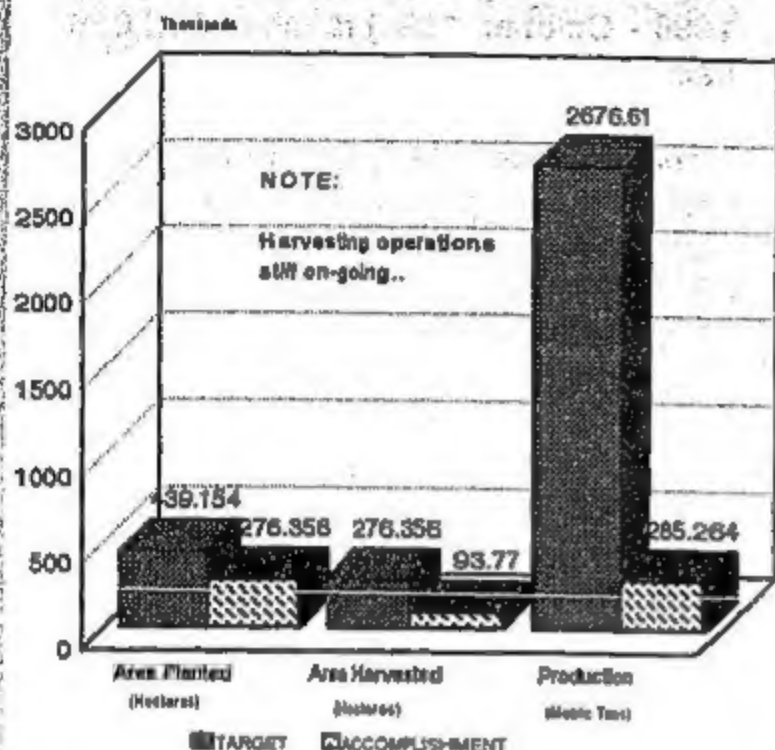
SOURCE: GPEP IV Accomplishment Report, January 31, 1997, DA-ROMD

FIG. 4. "GINTONG ANI" FOR PALAY: PLANTING ACCOMPLISHMENTS IN PROGRAM AREAS, MAY - DECEMBER 1996



SOURCE: GPEP IV Accomplishment Report, January 31, 1997, DA-ROMD

FIG. 5. "GINTONG ANI" FOR CORN: PLANTING ACC. IN PROGRAM AREAS, SEPTEMBER - DECEMBER 1996



SOURCE: QPEP IV Accomplishment Report, January 1997, DA-ROMD

The National Tobacco Administration (NTA) also reported better farm productivity through the Tobacco Contract Growing Scheme. This scheme assures traders of quality produce, and farmers of higher prices. Under this scheme, average yield per hectare ranges from 1.75 to 1.96 *mt/ha* for Virginia tobacco, and 1.49 to 2.20 *mt/ha* for burley tobacco. In 1996, average gross income obtained under this scheme was P48,682 per hectare which is 7.84% higher than the average gross income of P45,207 per hectare in 1995.³

Fiber is another high-value crop that the Department is promoting through the *Gintong Ani* Program for High Value Commercial Crops, even as the Fiber Industry Development Authority (FIDA), continued its efforts at increasing farm productivity and augmenting farmers'

income. For this year, technical assistance has been extended to 21,386 farmers involved in the expansion and rehabilitation of fiber plantation, production of disease-free planting materials, prevention and control of abaca diseases, and development of abaca and other fiber crops. These resulted in the rehabilitation of 2,393 hectares of abaca and other fibers involving 2,482 farmers. Further, through the ABAKAUNLARAN 2000 Project, about 2,450 hectares of new plantations were established and fourteen techno-demo farms were established to encourage farmers to adopt the recommended production technologies.⁴

2.d Credit Assistance. As of end November 1996, total credit disbursed in support of the *Gintong Ani* Programs for grains, livestock, and commercial crops (considering only the Land Bank of the Philippines (LBP)-credit schemes) amounted to P2.5 billion, benefiting 106,301 farmers and covering approximately 224,000 hectares. Of this amount, a significant proportion of about 43% each represented disbursements through cooperatives and participating rural banks using the rediscounting window.

Under the *Gintong Ani* Program for Rice and Corn, some P167.96 million have been released through the DA-LBP seed fund for individual farmers while some P1.08 billion have been released through cooperatives/rural banks.

For the *Gintong Ani* Multi-Livestock Dispersal Loan Program and Barangay Livestock Breeding Loan Program, a total

of P16.25 million seed fund has been deposited/farmed-out to conduits.

Further, about P46.2 million have been released to alternative livelihood projects (ALPs) in coastal communities and P142.9 million for aquaculture projects under the credit component of the Medium-Term Fisheries Management and Development Program (MTFMDP).

The Philippine Coconut Authority (PCA) in coordination with LBP, also extended financial assistance to 833 Small Coconut Farmers Organizations (SCFOs) for 67 livelihood projects amounting to about P34.5 million.

Employing eight fully operational credit guarantee financing programs, the Quedan and Rural Credit Guarantee Corporation (QuedanCor) generated P1.42 billion worth of rural credit. The amount was sourced from the coffers of 202 private financial institutions through the strength of quedan guarantee. This benefitted 4,201 borrowers including farmers, fisherfolk, cooperatives, agro-processors, agri-business integrators, cooperatives, rural entrepreneurs, and market retailers.⁵

3. On Infrastructure and Energy Development

3.a Development of Irrigation Systems. Through the National Irrigation Administration (NIA), 73 national irrigation systems, covering a total service area of 651,800 hectares, were maintained. The area irrigated during the dry season (November 1995 -

April 1996) was 476,431 *has*, while area irrigated during the wet season (May 1996 - October 1996) reached 592,655 *has*.

As of December 1996, NIA-implemented projects have generated 8,838 *has* of new irrigated areas, rehabilitated 427,318 *has* and repaired 2,002 kilometers (*kms*) of farm-to-market roads along national irrigation systems.

To add to its existing systems, NIA continued implementing new projects. Eight foreign-assisted projects and eight locally-funded projects are being constructed or rehabilitated. One foreign-assisted project and two locally-funded projects were started during the year. The lump sum allocation from the GATT Adjustment Support Measure has also contributed to the construction/rehabilitation of 14 national and communal irrigation projects. These projects are expected to irrigate 15,840 new areas, rehabilitate 59,182 *has* of existing systems, and repair 2,000 *kms* of service roads and 200 *kms* of drainage and flood protection systems.⁶

3.b Farm-to-Market Roads. As of December 1996, about P450 million have been allocated for the construction of farm-to-market roads. Of this amount, P383.5 million have been released to the Department of Public Works and Highways (DPWH) through a Special Allotment Release Order (SARO). A total of 234 projects are ongoing pre-construction/survey/design and estimate phase while 114 projects more are ongoing final field validation/inspection.⁷ In addition to the regular funds, some

P507.9 million have been allocated from the Poverty Alleviation Fund for farm-to-market roads and other basic infrastructures.

3.c Establishment of Nurseries and Laboratories. To complement the efforts to improve farm productivity in the fiber industry, the FIDA continued to establish production centers for sericulture. To add to the various facilities already established in the country³, the FIDA started the construction of the Egg Multiplication Center in Iloilo, and the Raw Silk Testing Center in Tagaytay City, and completed two communal rearing houses in Ifugao and Kabankalan, Negros Occidental.

3.d Repair and Improvement of Fish Ports. Repairs and improvements completed during the year include the facilities of the Pilar Municipal Fish Port (MFP) in Sorsogon, and those of Rosario, Cavite and Tabaco, Albay which were damaged by typhoon "Rosing," and the Bulan MFP in Sorsogon which was damaged by typhoon "Conching".

3.e Post-Production Support. As of December 1996, 2,385 multi-purpose drying pavements were constructed and 328 mechanical dryers were distributed through the *Gintong Ani* Program for Grains (Rice and Corn).

4. On Protecting the Environment

In line with the Department's continued efforts to increase agricultural production while promoting sustainable development, activities to lessen the

burden of agricultural activities on the environment were also undertaken. The following are some of the DA's more significant activities in protecting the environment.

4.a Crops Sector. The Integrated Pest Management Program or *KASAKALIKASAN* gained mileage through training courses and farmer field schools. The Agricultural Training Institute reported that nine provinces were actively involved in the conduct of Training for Trainers (TOT) for Rice, and four provinces for TOT for Corn. These TOTs were attended by agricultural technicians of the LGUs, farmer leaders, and some members of the cooperatives who are expected to transfer their learning to other farmers.

Complementary to the TOTs is the conduct of Farmer Field Schools (FFS), which enhance farmers' expertise through on-the-job training throughout a complete crop season. To date, 1,129 FFS for rice have been conducted in 22 provinces, 141 FFS for corn in four provinces, and 98 FFS for vegetables in seven provinces.⁶

4.a.1 Tobacco Industry. It was observed that flue-cured tobacco is one of the culprits in the denudation of forests in Region I, due to the big fuelwood requirements of the process. To address this issue, the National Tobacco Administration implemented the Backyard Energy Farm Project and Production Forest Development Project. These projects involved replanting activities. For the period, 87,438 tree seedlings were distributed to farmers for backyard

fuelwood production and 125 hectares were re-forested to serve as fuel source for flue-curing purposes.

4.a.ii. Sugar and Sugar By-Products Diversification / Utilization. The Sugar Regulatory Administration (SRA) transferred and commercialized the technology on Bio-organic Fertilizer (BOF) production using solid mill waste and its application in sugarcane farms. The SRA also worked on the establishment of an environment-friendly laboratory and the preparation of a database on pollutants in the mills.

Factory wastes such as distillery slops, a by-product in alcohol fermentation, was successfully utilized as a medium for the mass production of the Compost Fungus Activator (*Trichoderma*) and Bacterial N-fixer Enricher (*Azotobacter*), replacing coconut water and rice bran decoction. The material was also found to be a potential medium for producing *nata de caña* for industrial uses.

4.a.iii Philippine German Biological Plant Protection Project. The RP-German Biological Plant Protection Project was implemented from April 1987 to March 1996 by the Bureau of Plant Industry, with the goal of introducing biological pest management methods in agriculture, particularly for corn and cabbage. One of the Project's major outputs is the wide adoption/utilization of the *Trichogramma* and *Diadegma* technologies in the various agricultural programs of the national government like the *Gintong Ani* Program for Grains and High Value Commercial Crops.

4.b Livestock Sector. The BAI has undertaken research activities to help protect the environment. Dissemination of research and development technology on the production and utilization of biogas with the BAI Tubular Poly-Ethylene Digester proved to benefit 35 farmers in pilot areas. Seminars and lectures on Waste Management in slaughterhouses and abattoirs are regularly conducted in support of the establishment of Livestock Farms and Meat Processing Plants.

4.c Fisheries Sector. To support current efforts in promoting aquaculture, the Department, through the Southeast Asian Fisheries Development Center - Aquaculture Department, in coordination with the Food and Agriculture Organization and the Canadian International Development Agency, co-sponsored the AquaChem Meeting. This meeting was held to synthesize and update information on the use of chemicals in aquaculture with emphasis on the various aquaculture systems and species utilized. Also, the roles and responsibilities of the public and private sectors in handling aquaculture chemicals were identified during the workshop. The recommendations made during this gathering were elevated to the Meeting of the Working Group on Environmental Impacts on Coastal Aquaculture.

5. On Human Development / People Empowerment

5.a Social Reform Agenda (SRA) - Flagship Program For Agricultural Development. The Flagship Program for Agricultural Development seeks to empower farmers, farmworkers, and landless rural workers and their communities by securing their ownership of, or access to, agricultural lands. Increased incomes and a better quality of life are made possible through the provision of support services for higher productivity, promotion of ecologically sound farming technologies, and organization of cooperatives for entrepreneurship and participation in community affairs. To fully implement this program, the DA, together with the Department of Agrarian Reform implements programs and projects in selected convergence areas. Under this policy, the DA provided agricultural support services in 1996 to 75 agrarian reform communities (ARCs) which are also under the program areas for the Department's *Gintong Ani* Program. These services include provision of postharvest facilities and irrigation systems, training on integrated pest management (IPM), production and post-production technologies, and seedlings/animal dispersal.

5.b SRA - Flagship Program For Fisheries and Aquatic Resources Conservation, Management and Development. In keeping with the SRA's vision for the fisherfolk, the Fisheries Flagship has gained much ground in 1996. Fisherfolk empowerment has been enhanced

through the approval of Executive Order No. 240. The Fisheries and Aquatic Resources Management Councils (FARMCs) institutionalize the major role of local fisherfolk and other resource users in the community-based planning and implementation of government policies and programs for the management, conservation, protection and sustainable development of the coastal ecosystem within municipal waters. Further, Joint Administrative Order No. 3 which took effect last 25 April 1996, provided for the implementing guidelines on giving preferential treatment to the fisherfolk in the use of the 15-km municipal waters.

In recognition of the fisherfolk's important role in the SRA, the Fisheries Flagship has conducted Regional SRA Orientation Workshops for the Fisherfolk which were completed last July 1996. Parallel mechanisms for fisherfolk representation has been established through the National and Regional Fisherfolk Council of Leaders comprised of leaders chosen from among fisherfolk federations at the local level. The fisherfolk leaders maintain a nationwide network of information and communications through the SRA Fisherfolk Operations Center located at the Bureau of Fisheries and Aquatic Resources Building - Office of the Director.

Aside from projects under the Medium-Term Fisheries Management and Development Program, special projects for the fisherfolk has been pushed this year, such as the Integrated Fishery Livelihood Project for the Small Fisherfolk and the Adoption of Fishing Rights

System in the Philippines by Strengthening the Fishery Cooperatives. Both were piloted in the Bicol Region with expansion to other areas in the country.

5.c Nutrition. The Department, through the National Nutrition Council, actively participated in the implementation of the Philippine Plan of Action for Nutrition (PPAN) which envisions reduced hunger and malnutrition globally and an improved quality of life of Filipinos. PPAN seeks to (a) reduce malnutrition; (b) improve food security at home, community, and the nation; (c) improve mental performance in school; and (d) improve productivity at the workplace.

The PPAN has instituted mechanisms for human development and people's empowerment through the implementation of five major impact programs: (a) Home and Community Food Production; (b) Micronutrient Supplementation and Food Fortification; (c) Credit Assistance for Livelihood; (d) Nutrition Education; and (e) Food Assistance. To date, almost three million infants, preschool, and school children, and about 8.5 million mothers have benefited from these programs.

Another major program under PPAN is the *Lalakas ang Katawang Sapat sa Sustansiya* (LAKASS) Program which aims to address malnutrition in nutritionally depressed municipalities (NDMs). The results of the 1994 Evaluation study of the Program showed that a community-based nutrition improvement program is effective in

encouraging members of the community to take a look at the nutritional status of the populace. The study showed that the Program was able to improve the economic and health conditions of participating families. Specifically, it was noted that there were decreases in (1) prevalence of underweight-for-age by 16%; (2) stunting by 21%; and (3) wasting by 16%. The improvements in the economic condition of families were manifested in the reported increase in annual family income by three percent and the diversity of food the family consumed.

The success of the Program led to its expansion from 115 to 180 NDMs for 1996. For 1997-1998, some 90 more municipalities will be covered under the LAKASS Program Expansion II.

5.d Gender and Development. In the continuing effort to integrate gender and development concerns in the DA's plans and programs, the following activities were undertaken:

Region I conducted 12 gender sensitivity/awareness training involving 431 participants (64 males and 367 females). They also disaggregated *Gintong Ani* program accomplishment data by sex.

Region II coordinated and attended five skills development training for women clientele and DA personnel. They also disaggregated program accomplishment data by sex in four provinces covered by *Gintong Ani* for grains.

Region III helped coordinate the organization of 564 Rural Improvement Clubs (RICs) in six provinces and four cities with a total membership of 15,792 women and 48 RIC Cooperatives with a total of 2,064 members. It also conducted a training on photo reproduction and lamination using photos of four national past and incumbent RIC presidents.

Region IV conducted two rounds of Gender Sensitivity Training (GST) with 66 participants and one Trainers' Training on Gender and Development with 17 participants.

Region VII conducted six sets of training on Appropriate Fish Processing and Product Development in Bohol with 43 male and 116 female participants. Region VII in coordination with Bureau of Fisheries and Aquatic Resources - Central Office personnel, also conducted four sets of Coastal Resource Management training in Bohol with 114 male and 33 female participants. They also conducted/facilitated an orientation training in Cebu on Seaweeds Research and Development with four male and 16 female participants.

Region VIII facilitated and coordinated (together with the Agricultural Training Institute and local government units) four training courses with 180 participants, with the main objective of strengthening 4-H Clubs and RICs.

Region IX conducted training on gender sensitivity and gender-responsive planning for Municipal and District

Agricultural Officers from Basilan and Zamboanga City with 32 participants.

Region XII conducted five GSTs for the DA, LGUs, and non-government organizations with 135 participants, and three research studies on GAD concerns.

The Bureau of Postharvest Institute for Research and Extension (BPHIRE), meanwhile, applied gender analysis in the design and development of the Pili Depulping Machine and mechanical cashew nut sheller (decorticator). The BPHIRE also awarded a thesis grant to a student pursuing a Doctor of Philosophy Degree at the Central Luzon State University (CLSU), for a study entitled: An Exploratory Study of Gender Participation in Selected Mango Postharvest Activities in Region III.

5.e Central Cordillera Agricultural Programme (CECAP)¹⁰. The CECAP was implemented from June 1988 to June 30, 1996. A considerable impact was achieved through the rehabilitation and construction of roads, bridges, trails and irrigation facilities. There were at least 814 agricultural, 200 watershed and 572 community development micro-projects completed. These were supported by more than 1,000 micro-projects training courses. A pilot credit scheme was also established which loaned nearly ₱0.9 million. In a recent evaluation, participating households have achieved an average annual net incremental income from micro-projects of ₱1,750 (about US \$60), which represents an increase of about 30 percent in the income levels of the poorest barangays and communities

within the Programme area. With CECAP I terminating, CECAP Phase II has already been prepared and a Financing Memorandum has been signed in June 1996. Start-up activities will commence in 1997.

6. Agricultural Trade Policy Initiatives

Republic Act No. 8178, "An Act Replacing Quantitative Import Restrictions on Agricultural Products, Except Rice, With Tariffs, Creating the Agricultural Competitiveness Fund, and For Other Purposes," was signed into law on 28 March 1996.

Executive Order 313 replacing quantitative restrictions (QRs) with tariffs in accordance with the Philippines World Trade Organization (WTO) tariff concessions was issued by President Ramos on 29 March 1996. The Implementing Rules and Regulations (IRR) for this E.O. was signed last 1 July 1996.

Further, DA Administrative Order No. 9 known as the IRR for the Implementation of Agricultural Minimum Access Volumes (MAV) was signed by Secretary Salvador H. Escudero III on 1 July 1996. This is in line with the government's policy of setting a transparent, orderly, and equitable mechanism for the entry of minimum access volumes of imported agricultural products and the disposition of the proceeds from such importations.

The Department, through the Sugar Regulatory Administration (SRA), strongly supported the Philippine Accession to the

1992 International Sugar Agreement which will pave the way for the country's re-entry as a member of the International Sugar Organization (ISO), a Commodity Body of the United Nations. The ISO functions as an advisory body to the World Trade Organization (WTO) in international sugar matters and as the implementing arm to the compliance of GATT-Uruguay Round of Agreements. As a member of the ISO, the Philippines becomes qualified to avail of agricultural research grant from the Common Fund for Commodities.

To comply with the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement as far as crop varieties are concerned, Senate Bill No. 277 was filed by Sen. Orlando Mercado. This bill is pending with the Committees on Agriculture and Food, and Finance.

Further, House Bill (HB) No. 8907 was filed in Congress to protect domestic industries from unfair competition due to the presence of production and/or export subsidies. This bill was certified for immediate enactment on 19 July 1996 but it is still pending for second reading with the Committee on Ways and Means.

The Safeguards Measures Act (HB No. 6894) filed by Congressman Margarito Teves was certified for immediate enactment on 19 July 1996. This bill seeks to enable the President to effect additional special safeguard duties up to one-third of existing tariff rates. The present situation only allows the President to increase special safeguard duties of only up to 10% of existing rates.

On the other hand, HB No. 6451 (Amendment to the Tariff and Customs Code regarding changes in tariff rates for agricultural products) was approved on third reading on 20 March 1998. The Senate version, which is still unnumbered, is pending with the Senate Committee on Ways and Means.

III. CHALLENGES AND DIRECTIONS

The Department of Agriculture is tasked to ensure the nation's food security. As embodied in the food security agenda and the Plan of Action of Secretary Salvador H. Escudero III, the Department is committed to make the Philippines a food-secure nation, working within the framework of sustainable agriculture. It will vigorously provide for the necessary support measures to enhance the sector's productivity so that it will be able to compete in the liberalized regime of world trade. It will provide a policy environment that will unleash the productive potentials in agriculture, provide vital support services to empower farmers and fisherfolk, and encourage greater investments from the private sector.

The DA, therefore, will give top priority to the following pending legislative measures for the agriculture sector in both Houses of Congress:

§ **Agricultural Productivity Enhancement Act of 1996 (formerly the Irrigation Crisis Act) which seeks to enhance productivity in agriculture and improve the income and welfare of farmers and fisherfolk;**

§ 1. Plant Variety Registration and Protection Bill to protect new plant varieties and establish a National Plant Variety Protection Board:

§ Amendments to the Agri-Agra Law
in order to prohibit banks from using the agri-agra funds for other purposes by plugging the loopholes in the law which tend to divert credit away from the agriculture sector.

§ Fisheries Code which provides for the judicious utilization, management, renewal, and conservation of fishery and aquatic resources, and for the necessary support services for fisherfolk;

§ Countervailing measures and special safeguard duties to protect domestic industries from unfair competition brought about by production and export subsidies;

§ Amendment to the Tariff and Customs Code to strengthen the competitive advantage of local agricultural products by using tariffs instead of quantitative restrictions.

Consolidated and prepared by the Department of Agriculture, Planning and Monitoring Service - Program Monitoring and Evaluation Division.

doi:10.1017/S0022292412001904

1. Bureau of Animal Industry, 3 December 1996.
2. National Food Authority, 5 December 1996.
3. National Tobacco Administration, 2 December 1996.
4. Fiber Industry Development Authority, 31 December 1996.
5. Quedan and Rural Credit Guarantee Corporation, 3 December 1996.
6. National Irrigation Administration, 2 December 1996.
7. Office of the National Coordinator for Farm-to-Market Road Projects, Computer Services Center.
8. These facilities include: (a) two Municipal Sericulture Centers composed of a two-storey rearing house and a processing center, in La Union and Benguet; (b) Egg Multiplication Center in Bago Oshiro, Davao City; (c) Silk Demonstration Center in Davao City, and (d) 31 rearing houses established nationwide.
9. Agricultural Training Institute, 5 December 1996.
10. A summary of foreign-assisted projects (FAPs) status reports is available through the quarterly *FAPs Monitor* published by the Research and Project Development Division of the Planning and Monitoring Service.

DAIRY